

COLORADO DEPARTMENT OF REVENUE JOINT FINANCE COMMITTEE HEARING 2016-2017



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colorado.gov/revenue

Agenda

- Overview of the Department
- Organization Chart
- Overview of Major Initiatives in DMV
- Updates on other Divisions in the Department
- FY2017-18 Decision Items
- FY2016-17 Legislative Initiatives
- DOR Performance Plan
- Governor's Dashboard Update
- Regulatory Agenda



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Overview of the Department

- DOR created by the General Assembly in 1941:
 - Taxation and Revenue
 - Enforcement
- DOR has four Divisions:
 - DMV
 - Enforcement
 - Lottery
 - Taxation
- Recent changes made:
 - 2010 added Medical Marijuana
 - 2012 Ports of Entry moved to Department of Public Safety
 - 2013 added Retail Marijuana

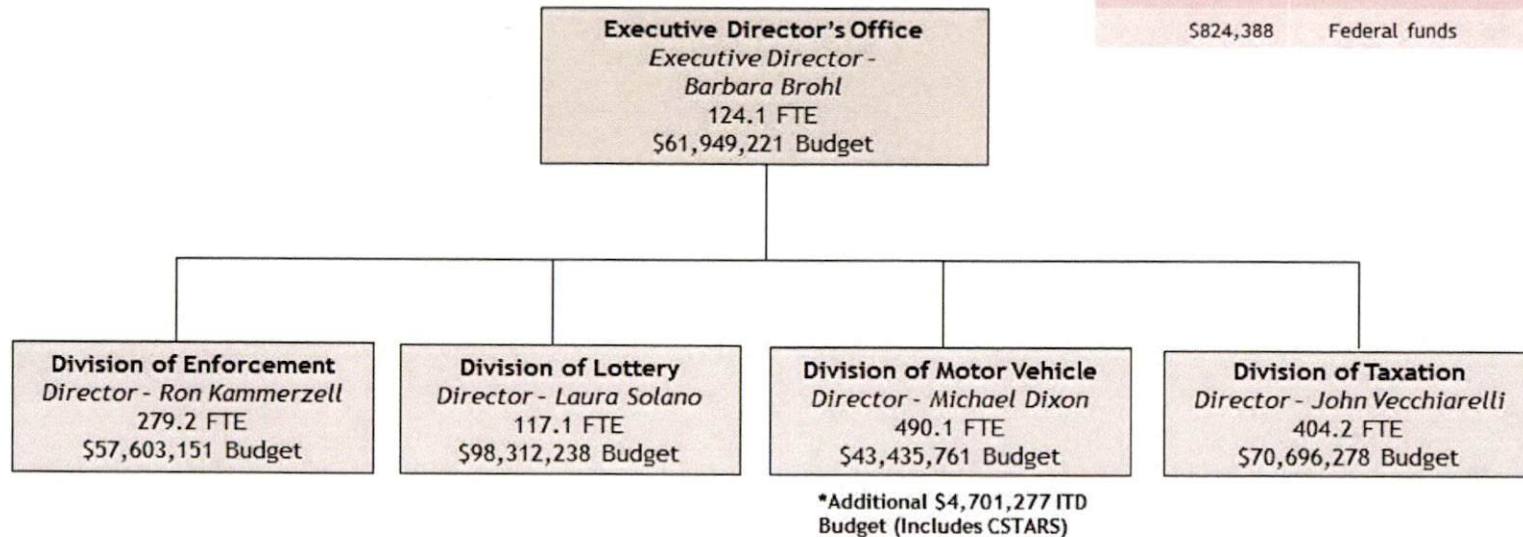


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Organization Chart

Colorado Department of Revenue

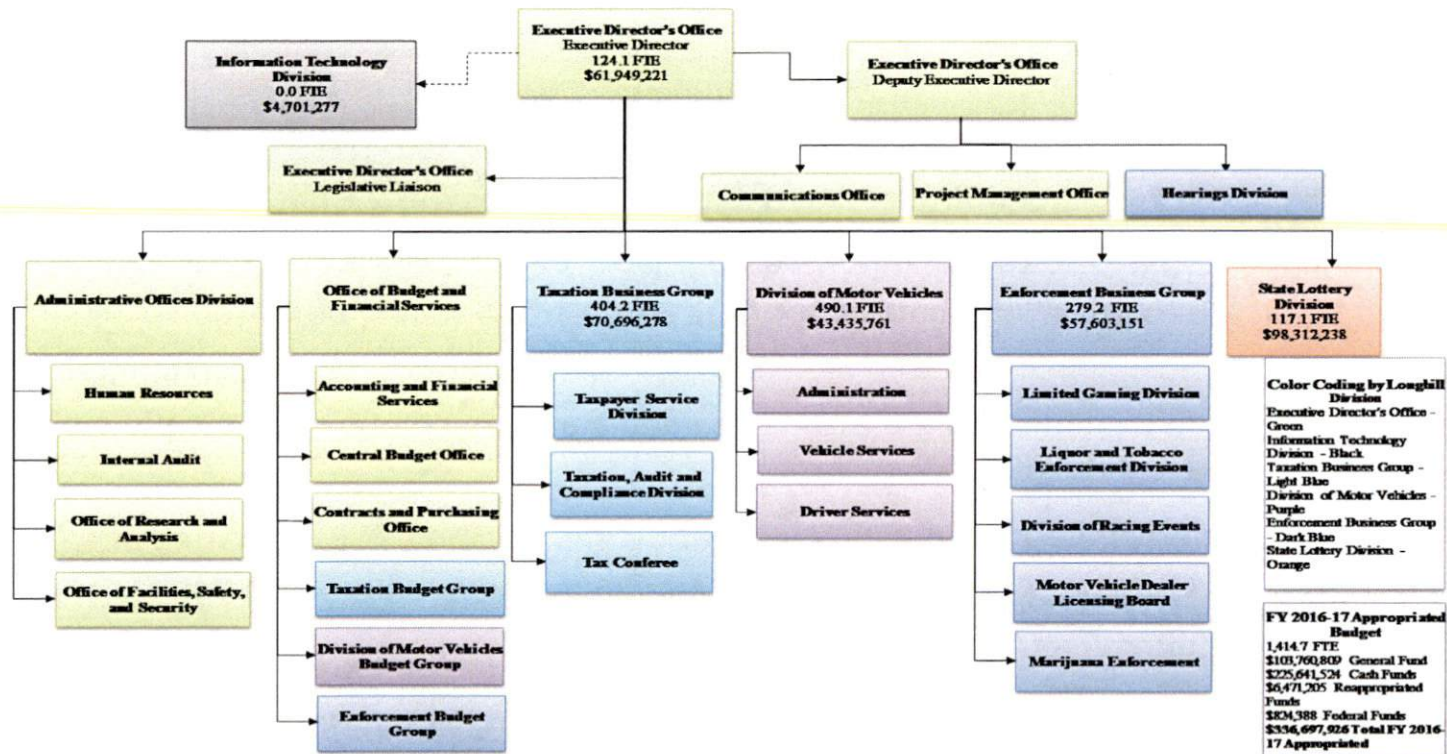
Total Department FTE & budget breakdown (based on FY 2016-17 appropriations)	
<u>DOR</u>	<u>1,414.7 FTE</u>
<u>\$336,697,926</u>	<u>Total funds</u>
\$103,760,809	General funds
\$225,641,524	Cash funds
\$6,471,205	Re-appropriated funds
\$824,388	Federal funds



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Organization Chart

Functional



*Budget amounts include long bill appropriations only.



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This year (FY16-17)

Year of Division of Motor Vehicles

(still)

The Colorado Driver License, Record, Identification and Vehicle Enterprise Solution (Colorado DRIVES)

- Part of a comprehensive, multi-year strategic plan to improve DMV customer service and reduce wait times to an average of 15 minutes. This is a component of meeting the goal included in the Governor's Dashboard for Vision 2018 of Improving the DMV Customer Experience.
- Joint request from the Colorado Department of Revenue and Governor's Office of Information Technology
- Replaces outdated Driver License System (DLS installed in 1995) and Colorado State Titling and Registration System (CSTARS installed between 1983 and 1988)
- 3 year project with 2 phases. Current phase 89% complete with on time and on budget deployment expected in February 2017
- 139 State employees on the project team
- Preparation for the second phase has been ongoing and a Colorado DRIVES County Governance Committee was established in May 2016



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DMV Customer Service Improvements

In 2013, wait times in driver license offices were averaging 42 minutes and 40 seconds. Over the past four years the DMV has been able to apply technology and improve procedures to achieve a current wait time average of 19 minutes and 49 seconds.

FY12-13

- Wait Less System Deployed to 13 Driver License Offices
- DMV Strategic Plan – February 20, 2013
- Driver License Lean Project

FY13-14

- Credit Cards - 2014
- Automated Knowledge Testing System
- Expanded Wait Less System
- Implemented Colorado Road & Community Safety Act

FY14-15

- Driver Services Fully Funded and 52 Customer Enhancement FTE - July 1, 2015
- Two Driver License Offices established with Corrections
- Expanded Exceptions Processing
- Two consecutive online renewals

FY15-16

- Colorado DRIVES project started
- New Colorado Driver License card
- New temporary tag
- Wait Less System upgraded and expanded for total of 31 offices
- “First in Line” Online Renewal Marketing Campaign



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SB 16-138 Self-Service Kiosk Pilot

- Motor vehicle registration renewal self-service kiosk
- Reduce customers at the counter
- Initial test deployment in Arapahoe County on February 1, 2017
 - Three County Motor Vehicle offices
 - One AAA Office in Littleton
- Pilot will include up to 16 Counties
- Other States employing this system having good success



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S.B. 13-251 – Colorado Road and Community Safety Act – (CO-RCSA) Update

- Authorizes the issuance of a Colorado driver license, instruction permit, or identification card to individuals who cannot provide proof of legal presence, or who can provide proof of temporary lawful presence
- Those who can demonstrate temporary lawful presence
 - May go to any Driver License office - appointments are not required except for drive tests
- Those who are unable to demonstrate lawful presence
 - Services available in 3 offices statewide – 31 appointments per day per office
 - Can show documents, take written test, and drive test in one appointment
- Since implementation 34,662 documents have been issued as of November 30, 2016
- Based on current projections 60,000 appointments served will be reached in November 2017
 - The 2015 Long Bill footnote stated " It is the intent of the General Assembly that once the annual appointments made available for individuals who are not lawfully present in the United States fall below 5,000 per year or the total appointments served reaches 60,000 the Division will reduce the offices that provide service to one location."
- HB 16-1415 implemented on June 15, 2016 affords individuals who fail a drive test during their appointment to retest with a 3rd party school and return to an office providing CO-RCSA services to obtain their driver license without an appointment



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Updates on Other Divisions within DOR

- **Lottery**
- **Enforcement**
 - Marijuana
 - Liquor
- **Taxation**



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Current Lottery Status

Sales and Proceeds FY2015-16

- Sales: \$594.4 M
- Proceeds Amount: \$143.6 M
- Proceeds Percentage: 24.2%
- Administrative Costs: \$37.9M
- Administrative Cost Percentage: 6.4%

Business Goals & Objectives

- Take a proactive approach in being relevant to the changing demographics of lottery players and awareness of player buying habits in both:
 - Innovation with a Player and Retailer Focus
 - Stakeholder Engagement



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Current Lottery Status (cont'd)

Lottery Priority: To maximize proceeds at levels set by State Statute for proceeds beneficiaries and Colorado citizens.

Proceeds Beneficiary	Proceeds Percentage	FY 2016 Proceeds Amount	Proceeds through FY 2016 since Lottery's Inception - 1983
Conservation Trust Fund	40%	\$57.4 M	\$1,145.4 M
Colorado Parks and Wildlife	10%	\$14.4 M	\$286.2 M
*Greater Outdoor Colorado (GOCO) <small>*The GOCO Cap was established in 1992 at \$35M with annual increases based on the CPI index. The FY2017 cap is \$64.4M.</small>	Up to 50% cap	\$63.7 M	\$1,035.0 M
*Dept. of Education; Building Excellent Schools Today Program (BEST)	Spillover from GOCO	\$8.1 M	\$34.3 M

- Not shown: Distributions made to Capital Construction Fund from 1983 through 1999 - \$440.5
- Prior to 2002, amounts exceeding the GOCO cap (the spillover) were distributed to the State General Fund. For Fiscal Years 2002 through 2007, the spillover funds were distributed to the State Public School Fund Contingency Reserve. For Fiscal Year 2008, the spillover funds were transferred to the Lottery Proceeds Contingency Reserve Fund. For Fiscal Years 2009 through 2016, the spillover funds were required to be transferred to the Public School Capital Construction Assistance Fund (BEST) – total spillover \$79.4 M



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Current Status of Medical Marijuana

Medical	As of 9/30/15	As of 11/30/16
ACTIVE LICENSES ISSUED		
• Cultivation	763	797
• Centers (Stores)	515	530
• Product Manufacturers	194	256
• Testing Facilities	0	14
• Occupational – includes both Medical and Retail	24,092	30,391
Revenue Remitted From	1/1/14 to 9/30/15	7/1/16 to 11/30/16
• Sales Tax (2.9%)	\$19.5M	\$ 5.4M
• Fees	\$16.3M	\$ 3.1M



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Current Status of Retail Marijuana

Retail	As of 9/30/15	As of 11/30/16
ACTIVE LICENSES ISSUED		
• Cultivation	511	626
• Retail Stores	394	454
• Product Manufacturers	147	237
• Testing Facilities	17	14
Revenue Remitted From	1/1/14 to 9/30/15	7/1/16 to 11/30/16
• Excise Tax (15%)	\$33.3M	\$28.4M
• Sales Tax (2.9%)	\$16.5M	\$11.6M
• Special Sales Tax (10%)	\$58.1M	\$40.8M
• Fees	\$ 6.3M*	\$ 1.8M
<small>*Retail Marijuana fee revenue was remitted from October 1, 2013 – December 31, 2013 in the amount of \$1.7M and is not included in the above total.</small>		



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Marijuana Enforcement Division Legislation Implementation and Rulemaking in 2016

- Legislation was implemented relating to marijuana in the areas of:
 - Ownership, Retail Sunset, Medical Marijuana Advertising, Enticing Shaped Edibles, Multi-serving Liquid Edibles, Marijuana Transporter License
 - 4 working groups were involved
- Edibles Marking and Universal Symbol for products infused with THC:
 - Rules passed in 2015 for edibles marking and universal symbol



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Marijuana Enforcement Division Legislation Implementation and Rulemaking in 2016 (cont'd)

Rules Effective 2017

- Medical and Retail Edibles – prohibited from being shaped like humans, animals, or fruit (HB16-1436)
- Liquid Edibles – Exempt from being marked with Universal Symbol (HB16-1427)
- Out of State Investment (SB16-040)
- Harmonizing Medical Marijuana advertising restrictions with those imposed on Retail Marijuana advertising (HB16-1363)
- New License types and regulation for Marijuana Transporters (HB16-1211) and Marijuana Business Operators (HB16-1261)
- Highlighted Potency Label (HB16-1261)



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Liquor Enforcement Legislation Implementation and Rulemaking

Implementation of SB16-197 – Retail Sales and Restrictions on Alcoholic Beverages

- Stakeholder Engagement
 - SB16-197 Statutory Working Group – Five meetings held since August 2016
 - Rulemaking Working Group – Seven meetings held over the summer
- Outreach
 - The Liquor Enforcement Division has hosted 15 classes around the state with more than 500 attendees
 - Interactive Q&A sessions with the Liquor Enforcement Director have been conducted



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Current Status of Taxation

Fraud Detection and

Customer Service Enhancements

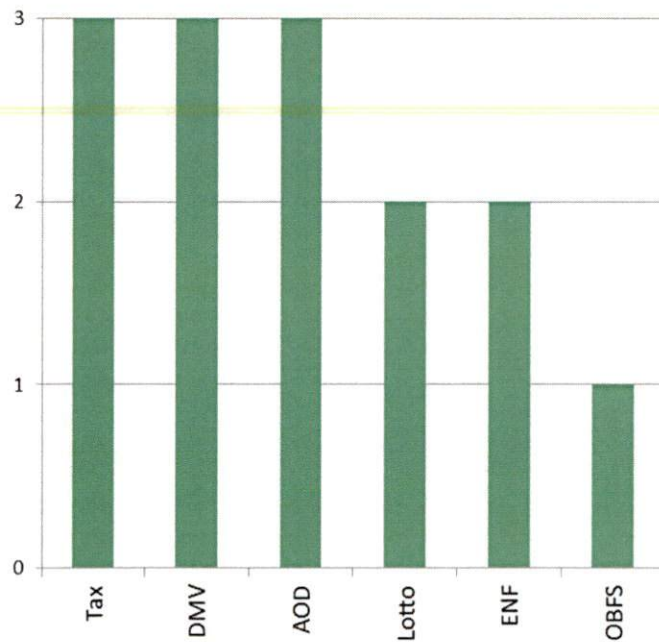
- Refund Fraud Prevention Program Enhancement – improve and enhance Taxation’s refund fraud prevention program by:
 - Implementing an industry-standard refund fraud detection software platform including additional functionality,
 - Creating a dedicated team of refund fraud tax examiners, and
 - Actively participating in the nationwide Security Summit Program
- Customer Service Enhancement – improve and enhance Taxation’s customer service experience and offerings by:
 - Continuously improving our notices and correspondence,
 - Decreasing Call Center wait times and blockage rates, and
 - Increasing electronic service offerings.



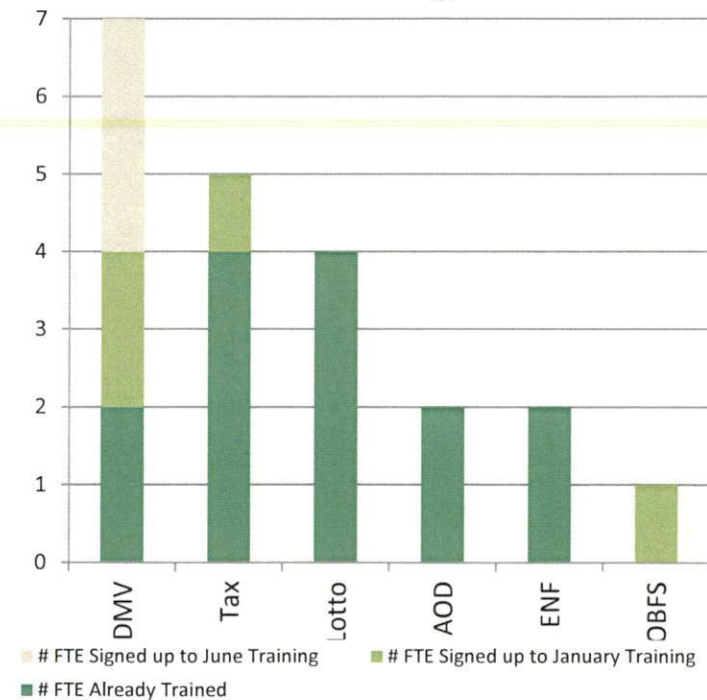
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DOR Lean and Process Improvement Initiatives

Number of Projects by Division



Committed to Lean Training



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DOR Lean and Process Improvement Initiatives

Define	OBFS: Preventing properties going into Hold-Over Status .	NEW! TAX: Increasing the efficiency we process buyers Claim for Refund	NEW! ENF: Making our licensing process more elegant.	NEW! AOD: Improving our staffing plan.
Measure				
Analyze	LOTTO: Making our New Hire Onboarding process more efficient.	NEW! AOD: Increasing right first time rate of giving new joiners building access.	NEW! DMV: Making our Call Tree Options more elegant and efficient.	
Improve	LOTTO: Increasing the efficiency of our Premium Item Tracking	ENF: Reducing the cycle time when staff request work-travel.	AOD: Making our personnel movement process more efficient.(4511)	TAX: Simplifying the way our SQR are raised.
Control	NEW! TAX: Reducing the amount of Duplicate Letters sent when a protest is received.	DMV: Increasing the efficiency of our Drivers Ed Audits	COMPLETE! DMV: Making our exceptions process more efficient & customer centric.	



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Outstanding Performance Audit Recommendation

- Performance
 - The Department has one outstanding high priority performance recommendation that is related to the 2011 Tax Processing Performance Audit Rec No. 2;
 - Recommendation:
 - "The Department of Revenue should maximize its use of Central Services for outgoing mail processing and warrant printing, and reallocate or eliminate staff who are currently performing this work."
 - This recommendation was originally made in September, 2011, and will be reevaluated by DOR in May of 2017. This recommendation is documented as phase 4 of the DPA and DOR Pipeline Lean project. To date the agencies have evaluated the cost benefit calculations and business requirements. The Department will reevaluate implementation of Phase 4 at the end of the next tax season in order to resolve process and technical issues as well as significant cost over runs experienced with implementation of Phase 3 of the Pipeline Lean project (front end imaging of paper tax files).



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FY2017-18 Decision Items

R-01 – DMV Wait Less

- The Department requests **\$183,042** in cash fund spending authority for the *Licensing Services Cash Fund* in FY 2017-18 and thereafter for maintenance of the implemented Wait Less system

R-02 – License Plate and Year-Tab Ordering

- The Department requests **\$4,056,720** in the License Plate Ordering line in FY 2017-18
 - **\$209,642** in General Fund appropriation FY 2017-18 and thereafter
 - **\$3,847,078** in Cash Fund spending authority FY 2017-18 annualizing to \$2,713,078 in FY 2018-19 and thereafter
 - Statutory language change to allow for the purchase of license plates and product from the CSTARS account
 - Continuous appropriation for the License Plate Ordering Long Bill line item
 - Revision to the Long Bill Letternote



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FY2017-18 Decision Items (cont'd)

R-03 – Liquor Enforcement Operating Increase

- The Department requests **\$52,884** in cash fund spending authority for the *Liquor Enforcement Division and State Licensing Authority Cash Fund* in FY 2017-18 and thereafter for operating expenses

R-04 – DMV Leased Space

- Requesting additional **\$1,090,106** in spending authority in the *Licensing Services Cash Fund* in FY 2017-18
 - To expand or move Colorado Springs, Northglenn, and Fort Morgan Driver License offices
 - One-time expense of \$911,000 to implement expansion or move
 - Annualizes to \$179,106 in the Leased Space line in FY 2018-19 and thereafter
 - Customer demand at Colorado Springs and Northglenn offices requires more space
 - Lease line has not significantly increased for the DMV in at least ten years



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FY2017-18 Decision Items (cont'd)

R-05 – GenTax Maintenance

- Two key system components totaling the request for **\$2.8 M**:
 - Software Licensing and Support - \$1.7 M
 - System Enhancements - \$1.1 M

R-06 – Auto Industry Division Staffing

- The Department requests **\$361,682** in cash fund spending authority for the *Auto Dealers License Fund* in FY 2017-18 for 4.0 FTE and associated expenses
- Amount annualizes to \$328,500 in spending authority in FY 2018-19 and thereafter



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FY2017-18 Decision Items (cont'd)

R-07 – Racing Legal Assistant

- The Department requests **\$31,989** in cash fund spending authority for the *Racing Cash Fund* in FY 2017-18 for the conversion of a temporary employee to 1.0 FTE with associated expenses
- Amount annualizes to \$27,286 in FY 2018-19 and thereafter

R-08 – Amendment 35 Distribution

- The Department requests an informational (I) annotation for the Amendment 35 Distribution to Local Governments line item for FY 2017-18 and thereafter to provide adequate spending authority for the Department to distribute the tobacco tax cash funds to local and county governments



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FY2016-17 Legislative Initiatives

- Colorado DRIVES implementation (CSTARS to DRIVES)
Allows for the successful deployment, implementation, governance, and oversight of the Colorado DRIVES system for driver license and vehicle services.
- Modifications to penalty & interest in tax refunds statute
Adds to the list of timeline exceptions for tax refunds as outlined in Section 39-22-622(4): "A return where there is a suspicion of identity theft or other refund-related fraud."
- Create a medical marijuana operator license
Adds to Section 12-43.3-101 et seq. two additional factors:
 - Create a new Medical Marijuana Operator License similar to the Retail Marijuana Operator License created by HB16-1261, which allows someone who is not an owner to run a marijuana business.
 - Provide the State Licensing Authority with rulemaking authority for Medical Marijuana Operators.



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Governor's Dashboard Update

The Department reports on two specific goals outlined in the Governor's Dashboard as follows:

Priority Area: Economic Development

- Promote entrepreneurship and business growth by streamlining regulations and making government business services and requirements easier to navigate
 - Early stakeholder engagement
 - All DOR divisions establish work groups and solicit stakeholder engagement to address passed legislation and subsequent rulemaking
 - DOR's objective is negotiated rulemaking with stakeholders leading to voluntary compliance
 - Significant improvement (in time spent or cost) for a business to comply with a rule or requirement
 - All divisions continue to expand online services where possible
 - ☐ Tax Division – adding remaining 50 sales tax types as electronic filing options in Revenue Online over the next 3 years
 - ☐ Enforcement Division – all sections implementing software to process licenses online improving customer accessibility and experience



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Governor's Dashboard Update (cont'd)

Priority Area: Quality Government Services

- Improve the DMV customer experience
 - Improve wait times for walk-in customers and customers with an appointment
 - The Wait Less System has been deployed to 31 Driver License offices across the state which allows customers to make an appointment for their services
 - The Colorado Drives project is underway to replace both the Driver License and Vehicle Registration systems in Colorado
 - ❑ Phase 1 – Driver License System completion date of February, 2017
 - ❑ Phase 2 – Title and Registration System completion date of August, 2018
 - Expand online driver license renewals
 - Legislation was passed to allow for two consecutive online five year renewals under certain conditions



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Questions

Before Performance Plan Presentation?



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Performance Plan



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Vision and Mission

Vision

To become a premier Department of Revenue known for its outstanding customer service, innovation, and dedicated employees.

Mission

The Department of Revenue will provide quality service to our customers in fulfillment of our fiduciary and statutory responsibilities while instilling public confidence through professional and responsive employees.



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Goals

The Department's FY16-17 Performance Plan focuses on five main goals:

Customer Service - Be respectful to our customers by providing processes that are clear, simple, timely, and convenient.

Fiduciary Responsibility - Provide responsible financial, resource, and project management that builds a sustainable foundation utilizing a high standard of care.

Statutory Responsibility - Promote fairness and consistency in the application of the law.

Employees - Recruit, develop, retain, and value a high-quality, diverse workforce in an environment that promotes collaboration, professional development, and employee innovation.

Public Confidence - Maximize public trust through responsible stewardship and transparent processes.



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Major Program Areas

- Taxation Division
- Motor Vehicle Division
- Lottery Division
- Enforcement Division
- Executive Director's Office and Administration



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Taxation Division



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Tax Call Center

Objective: The Tax Call Center will answer calls within an average of 9 minutes and 20 seconds of entering the queue for FY17, with a reduction annually.

	FY14	FY15	FY16*	FY17	FY18	FY19
Objective	0:09:30	0:09:30	0:09:25	0:09:20	0:09:15	0:09:10
Actual	0:09:08	0:12:18	0:10:15			
Difference	0:00:22	0:02:48	0:00:50			

Objective: The Tax Call Center will block less than 23% of calls in FY17 and decrease in FY19.

	FY14	FY15	FY16*	FY17	FY18	FY19
Objective	24.00%	23.00%	23.00%	23.00%	23.00%	22.00%
Actual	23.24%	40.01%	34.70%			
Difference	0.76%	17.01%	11.70%			



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Electronic Filing of Tax Returns

Objective: Increase e-filed individual income tax returns as a percentage of total income tax returns filed to 84.50% in FY17 and increase annually.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	82.00%*	82.80%	83.60%	84.50%	85.00%	85.90%
Actual	81.00%	82.36%	84.07%			
Difference	1.00%	0.44%	0.47%			

Objective: Increase e-filed sales tax returns as a percentage of total sales tax returns filed to 77.00% in FY17 and increase annually.

	FY14	FY15	FY16*	FY17*	FY18	FY19
Objective	55.20%	60.70%	75.00%	77.00%	80.00%	82.00%
Actual	60.80%	70.22%	77.30%			
Difference	5.60%	9.52%	2.30%			



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Motor Vehicle Division



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Call Centers

Title and Registration

Objective: Title and Registration Call Center will answer 100% of calls within an average of 1 minute and 30 seconds of entering the queue on an annual basis and maintain this percentage each year going forward.

	FY14	FY15*	FY16	FY17	FY18	FY19
Objective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Actual	100.00%	94.65%	100.00%			
Difference	0.00%	5.35%	0.00%			

*This objective was not be met in FY15 due to high turnover rate in the call center. The training time for replacement employees is lengthy due to the complexity of CSTARS.



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Call Centers

Driver Control

Objective: The Driver Control Call Center will have an average call wait time of 10 minutes* on an annual basis decreasing in FY 2018-19.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	0:08:30	0:09:00	0:10:00	0:10:00	0:10:00	0:09:00
Actual	0:07:48	0:08:12	0:08:39			
Difference	0:00:42	0:00:48	0:01:21			

*This increase in the objective from FY15 is related to the anticipation of increased phone calls due to legislative changes related to HB13-1240 and the new requirement to complete an investigation for the reinstatement of drivers with felony charges.

Objective: The Driver Control Call Center will block less than 4.5% of calls for FY 2016-17 and decrease annually.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	5.00%	5.00%	5.00%	4.50%	4.00%	3.50%
Actual	5.50%	4.88%	1.57%			
Difference	0.50%	0.12%	3.43%			



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Walk-in Customer Service in Driver License Offices

Objective: Reduce wait times for Driver License customers from the baseline of an average of 60 minutes 65% of the time established in FY 2013-14 to an average of 15 minutes 65% of the time in FY2016-17 and 80% of the time in FY 2017-18.*

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	N/A	N/A	50.00%	65.00%	80.00%	85.00%
Actual	N/A	N/A	54.10%			
Difference	N/A	N/A	4.10%			

* Beginning in FY2015-16 this measure was revised to better represent the DRIVES project plan and align with the Governor's goals.

Objective: Driver License customers with pre-scheduled appointments will be called to the counter within 15 minutes of their scheduled appointment time 90% of the time on an annual basis in Driver License offices where Wait Less is deployed, increasing annually beginning in FY 2017-18.

	FY14	FY15*	FY16	FY17	FY18	FY19
Objective	90.00%	90.00%	90.00%	90.00%	92.00%	94.00%
Actual	95.36%	87.01%	90.90%			
Difference	5.36%	2.99%	0.90%			



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Online Renewal and Payment

Objective: Increase the number of driver license renewals processed online by 5% on an annual basis.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	186,928	148,621	142,224	195,998	205,798	216,088
Actual	141,550	135,451	186,665			
Difference	45,378	13,170	44,441			
% Difference	24.3%	8.9%	31.2%			



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International Registration Plan (IRP) Electronic Registration

Objective: The percentage of International Registration Plan (IRP) registrations completed through electronic filing will reach 30% in FY 2016-17, increasing to 35% by FY 2018-19.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	30.00%	35.00%	30.00%	30.00%	32.50%	35.00%
Actual	29.46%	27.06%	31.67%			
Difference	0.54%	7.94%	1.67%			



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Lottery Division



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Lottery Sales and Profits

Objective: Grow Colorado Lottery sales and profits to maximize proceeds for recipients that are receiving funding at levels defined by the state and achieve profitability percentage of 23.00% by FY18 and ongoing.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	24.00%	23.50%	22.20%	22.20%	23.00%	23.00%
Actual	23.87%	23.79%	24.15%			
Difference	0.13%	0.29%	1.95%			



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Enforcement Division



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Liquor License Processing

Objective: Increase the number of final agency actions (defined as approvals or notices of denial) for renewal license applications for liquor business licenses within 60 days from the baseline of 67% to 95% by the end of FY2016-17.*

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	N/A	N/A	95.00%	95.00%	95.00%	95.00%
Actual	N/A	N/A	98.20%			
Difference	N/A	N/A	3.20%			

Objective: Increase the number of final agency actions (defined as approvals or notices of denial) for new applications for liquor business licenses within 90 days from the baseline of 67% to 75% by end of FY2016-17.*

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	N/A	N/A	70.00%	75.00%	77.50%	80.00%
Actual	N/A	N/A	80.90%			
Difference	N/A	N/A	10.90%			

*The renewal and new application objectives were combined until FY16. These processes are now tracked separately.



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Auto Industry

Complaint Resolution

Objective: By the end of the fiscal year, the Auto Industry Division will reach the objective of concluding the initial investigation on complaints within 180 days of case initiation 82.00% of the time and increasing annually.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	73.00%	76.00%	82.00%	84.00%	86.00%	88.00%
Actual	81.49%	87.43%	87.57%			
Difference	8.49%	11.43%	5.57%			



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Racing Compliance

Objective: The Division of Racing shall conduct facility inspections for its racetrack licensees 100% of the time prior to opening and all stables within 45 days after opening to ensure compliance with the Colorado Racing Act and Colorado racing regulations on an annual basis.

	CY14	CY15	CY16	CY17	FY18	FY19
Objective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Actual	100.00%	100.00%	100.00%			
Difference	0.00%	0.00%	0.00%			



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Marijuana License Processing

New Applications

Objective: Increase the number of final agency actions (defined as approvals or notices of denial) of new applications for medical marijuana business licenses within 90 days from the baseline of 69% to 80% by end of FY 2016-17.

	FY14	FY15	FY16*	FY17	FY18	FY19
Objective	N/A	N/A	75.00%	80.00%	80.00%	80.00%
Actual	N/A	N/A	86.00%			
Difference	N/A	N/A	11.00%			

Objective: Maintain the number of final agency actions (defined as approvals or notices of denial) of new applications for retail marijuana business licenses within 90 days 100% of the time in FY2016 and ongoing.

	FY14	FY15	FY16*	FY17	FY18	FY19
Objective	N/A	N/A	100.00%	100.00%	100.00%	100.00%
Actual	N/A	N/A	100.00%			
Difference	N/A	N/A	0.00%			

*The issuance of new medical and retail marijuana business applications were tracked under the same objective until FY16. New retail applications have a statutory requirement to be issued within 90 days of receipt. New medical applications do not have a statutory requirement for issuance. It was determined that it would be more representative to measure these two licensing activities separately.



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Marijuana License Processing

Renewal Applications

Objective: Increase the number of final agency actions (defined as approvals or notices of denial) for renewal applications for medical and retail marijuana business licenses within 90 days from the baseline of 63% to 72% by end of FY 2018-19.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	N/A	N/A	70.00%	70.00%	70.00%	72.50%
Actual	N/A	N/A	86.00%			
Difference	N/A	N/A	16.00%			



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Gaming Compliance

Objective: The Division of Gaming shall conduct compliance inspections of licensed Colorado casinos on an annual basis to ensure 90% compliance with the Colorado Limited Gaming Act, Colorado Gaming Regulations, and minimum internal control standards increasing the rate to 92.50% in FY2018-19.

	FY14	FY15	FY16*	FY17	FY18	FY19
Objective	N/A	N/A	90.00%	90.00%	90.00%	92.50%
Actual	N/A	N/A	95.07%			
Difference	N/A	N/A	5.07%			

*This is a new objective for the Gaming Division beginning in FY16.



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Executive Director's Office and Administration



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Cash Handling

Objective: Deposit funds within 24 hours of being received 95% of the time on an annual basis.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
Actual	93.00%	95.00%	93.00%			
Difference	2.00%	0.00%	2.00%			



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Project Management

Objective: The Department will complete 100% of its projects related to legislation implementation within the required implementation date.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Actual	100.00%	100.00%	100.00%			
Difference	10.00%	0.00%	0.00%			



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Hiring Personnel

Objective: Maintain the average number of 44 days to fill 100% of vacant positions from the submittal of the personnel request form to Human Resources to the job offer.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	49.0	44.0	44.0	44.0	44.0	44.0
Actual	43.0	47.7	38.5			
Difference	6.0	3.7	5.5			



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Employee Satisfaction

Objective: Based on the biennial results of the Department of Personnel and Administration Employee Engagement Survey, show improvement in employee satisfaction by a rate of 5% points on an annual basis for each of the three categories listed below.

- Lean - Increase familiarity with Colorado's Lean Initiative, increase the number of Lean projects in progress throughout the Department, and increase visibility of department leadership's support of Lean and process improvement initiatives.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	N/A	56.23%	N/A
Actual	N/A	N/A	51.00%	N/A		N/A
Difference	N/A	N/A	N/A	N/A		N/A

*A favorable rating was determined by answering the question with agree or strongly agree.



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Employee Satisfaction (cont'd)

- Leadership - Increase employee knowledge of Department direction and increase employee trust and confidence in Department leadership.

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	N/A	39.69%	N/A
Actual	N/A	N/A	36.00%	N/A		N/A
Difference	N/A	N/A	N/A	N/A		N/A

*A favorable rating was determined by answering the question with agree or strongly agree.

- Middle Level Management - Increase middle level management favorable average survey scores in the areas of engagement, efficiency, effectiveness, elegance, Supervisor, and Leadership by 5% points each year.

	FY14	FY15	FY16	FY16	FY18	FY19
Objective	N/A	N/A	N/A	N/A	55.13%	N/A
Actual	N/A	N/A	50.00%	N/A		N/A
Difference	N/A	N/A	N/A	N/A		N/A

*A favorable rating was determined by answering the question with agree or strongly agree. The FY16 actual is an average of the four scores for this occupational group in the 2015 DPA survey.



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Regulatory Agenda

Rule and Regulation Review

Objective: The Department will implement Vision 2018 key rulemaking activities to include ensuring early stakeholder engagement rule promulgation 100% of the time beginning in FY 2016-17 and ongoing.*

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	100.00%	100.00%	100.00%
Actual	N/A	N/A	N/A			
Difference	N/A	N/A	N/A			

Objective: In compliance with Vision 2018, the Department will identify at least one rule or process to improve and estimate the impact to business beginning in FY2016-17 and ongoing.*

	FY14	FY15	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	1.00	1.00	1.00
Actual	N/A	N/A	N/A			
Difference	N/A	N/A	N/A			

*These objectives are new rulemaking objectives that align with the Governor's strategic policies outlined in Vision 2018.



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Questions on the Performance Plan?

Thank You



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